



ANNUAL STATEMENT
For the Year Ending December 31, 2005
OF THE CONDITION AND AFFAIRS OF THE
AMERIGROUP Maryland, Inc., a Managed Care Organization

NAIC Group Code	1156 (Current Period)	1156 (Prior Period)	NAIC Company Code	95832	Employer's ID Number	51-0387398
Organized under the Laws of	District of Columbia		State of Domicile or Port of Entry	District of Columbia		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated/Organized	01/09/2003		Commenced Business	06/01/1999		
Statutory Home Office	857 Elkridge Landing Road Suite 300 (Street and Number)		Linthicum, MD 21090 (City, or Town, State and Zip Code)			
Main Administrative Office			4425 Corporation Lane (Street and Number)			
	Virginia Beach, VA 23462 (City or Town, State and Zip Code)		(757)490-6900 (Area Code) (Telephone Number)			
Mail Address	4425 Corporation Lane (Street and Number or P.O. Box)		Virginia Beach, VA 23462 (City, or Town, State and Zip Code)			
Primary Location of Books and Records			4425 Corporation Lane (Street and Number)			
	Virginia Beach, VA 23462 (City, or Town, State and Zip Code)		(757)490-6900 (Area Code) (Telephone Number)			
Internet Website Address	www.amerigroupcorp.com					
Statutory Statement Contact	Margaret M. Roomsburg (Name)		(757)490-6900 (Area Code)(Telephone Number)(Extension)			
	MROOMSB@amerigroupcorp.com (E-Mail Address)		(757)557-6742 (Fax Number)			
Policyowner Relations Contact			Margaret M. Roomsburg 4425 Corporation Lane (Street and Number)			
	Virginia Beach, VA 23462 (City, or Town, State and Zip Code)		(757)490-6900 (Area Code) (Telephone Number)(Extension)			

OFFICERS

Name	Title
Steven Brown Larsen	President/CEO - MD
Kathleen Konzelmann Toth	Vice President/Assist. Secretary
Sandra Denise Bruce Nichols, M.D.	Vice President/CEO - DC
Shirley Allen Grant, M.D.	Vice President/Medical Director
Stanley Forrest Baldwin	Vice President/Secretary
James Gordon Carlson	Vice President/Assist. Secretary
Sherri Ellyn Lee	Vice President/Treasurer #

OTHERS

Margaret Mary Roomsburg, Vice President Lori-Don McNamee Gregory, Assistant Secretary	Catherine Smith Callahan, Vice President Scott Wayne Anglin, Vice President/Assist Treasurer
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DIRECTORS OR TRUSTEES

Steven Brown Larsen Eric Monroe Yoder, M.D.	Stanley Forrest Baldwin Sandra Denise Bruce Nichols, M.D.
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State of Virginia
County of Virginia Beach ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Steven Brown Larsen	Stanley Forrest Baldwin	Margaret Mary Roomsburg
(Printed Name)	(Printed Name)	(Printed Name)
President/CEO	Secretary/Vice President	Vice President
(Title)	(Title)	(Title)

Subscribed and sworn to before me this day of , 2006	a. Is this an original filing? b. If no, 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes[X] No[]
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(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)	24,686,171		24,686,171	40,589,240
2.	Stocks (Schedule D)				
2.1	Preferred stocks				
2.2	Common Stocks				
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$..... encumbrances)				
4.2	Properties held for the production of income (less \$..... encumbrances)				
4.3	Properties held for sale (less \$..... encumbrances)				
5.	Cash (\$.....14,233,991 Schedule E Part 1), cash equivalents (\$.....42,860,528 Schedule E Part 2) and short-term investments (\$.....8,349,053 Schedule DA)	65,443,572		65,443,572	42,117,880
6.	Contract loans (including \$..... premium notes)				
7.	Other invested assets (Schedule BA)				
8.	Receivables for securities				
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	90,129,743		90,129,743	82,707,120
11.	Title plants less \$..... charged off (for Title insurers only)				
12.	Investment income due and accrued	184,655		184,655	226,039
13.	Premiums and considerations				
13.1	Uncollected premiums and agents' balances in the course of collection	12,115,252		12,115,252	8,613,718
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$..... earned but unbilled premiums)				
13.3	Accrued retrospective premiums				
14.	Reinsurance:				
14.1	Amounts recoverable from reinsurers	381,346		381,346	123,777
14.2	Funds held by or deposited with reinsured companies				
14.3	Other amounts receivable under reinsurance contracts				
15.	Amounts receivable relating to uninsured plans				
16.1	Current federal and foreign income tax recoverable and interest thereon				
16.2	Net deferred tax asset	1,268,808		1,268,808	3,331,036
17.	Guaranty funds receivable or on deposit				
18.	Electronic data processing equipment and software	53,508		53,508	77,434
19.	Furniture and equipment, including health care delivery assets (\$.....)	633,420	633,420		
20.	Net adjustment in assets and liabilities due to foreign exchange rates				
21.	Receivables from parent, subsidiaries and affiliates				
22.	Health care (\$.....151,969) and other amounts receivable	151,969	151,969		
23.	Aggregate write-ins for other than invested assets	14,773,720	14,773,720		
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	119,692,421	15,559,109	104,133,312	95,079,124
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	Total (Lines 24 and 25)	119,692,421	15,559,109	104,133,312	95,079,124
DETAILS OF WRITE-INS					
0901.	.....			
0902	.....			
0903	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301.	Goodwill	14,773,720	14,773,720		
2302.	.....			
2303.	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	14,773,720	14,773,720		

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$..... reinsurance ceded)	58,237,042		58,237,042	50,997,634
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses	1,649,855		1,649,855	1,349,377
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	59,679		59,679	794,807
9.	General expenses due or accrued	152,027		152,027	
10.1	Current federal and foreign income tax payable and interest thereon (including \$..... on realized capital gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittance and items not allocated				
14.	Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current)				
15.	Amounts due to parent, subsidiaries and affiliates	1,572,389		1,572,389	2,768,942
16.	Payable for securities				
17.	Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured accident and health plans				
21.	Aggregate write-ins for other liabilities (including \$..... current)				6,143,868
22.	Total liabilities (Lines 1 to 21)	61,670,992		61,670,992	62,054,628
23.	Aggregate write-ins for special surplus funds	X X X	X X X		
24.	Common capital stock	X X X	X X X	1	1
25.	Preferred capital stock	X X X	X X X		
26.	Gross paid in and contributed surplus	X X X	X X X	29,415,565	29,415,565
27.	Surplus notes	X X X	X X X		
28.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
29.	Unassigned funds (surplus)	X X X	X X X	13,046,754	3,608,930
30.	Less treasury stock, at cost:				
30.1	..... shares common (value included in Line 24 \$.....)	X X X	X X X		
30.2	..... shares preferred (value included in Line 25 \$.....)	X X X	X X X		
31.	Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	42,462,320	33,024,496
32.	Total Liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	104,133,312	95,079,124
DETAILS OF WRITE-INS					
2101.	Accrued expenses				6,143,868
2102.	.....			
2103	.....			
2198.	Summary of remaining write-ins for Line 21 from overflow page				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)				6,143,868
2301	.....	X X X	X X X		
2302	.....	X X X	X X X		
2303	.....	X X X	X X X		
2398.	Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801	.....	X X X	X X X		
2802	.....	X X X	X X X		
2803	.....	X X X	X X X		
2898.	Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899.	TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	2,100,641	1,979,712
2.	Net premium income (including \$..... non-health premium income)	X X X	503,219,052	430,917,207
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$..... medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	Total revenues (Lines 2 to 7)	X X X	503,219,052	430,917,207
Hospital and Medical:				
9.	Hospital/medical benefits		303,805,330	247,696,892
10.	Other professional services		18,624,599	17,284,007
11.	Outside referrals			
12.	Emergency room and out-of-area		39,528,665	32,246,200
13.	Prescription drugs		47,854,565	41,277,195
14.	Aggregate write-ins for other hospital and medical		8,026,808	6,613,489
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)		417,839,967	345,117,783
Less:				
17.	Net reinsurance recoveries		2,311,706	1,870,126
18.	Total hospital and medical (Lines 16 minus 17)		415,528,261	343,247,657
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$.....10,299,693 cost containment expenses		12,033,827	11,146,279
21.	General administrative expenses		50,034,192	52,173,462
22.	Increase in reserves for life and accident and health contracts (including \$..... increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)		477,596,280	406,567,398
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	25,622,772	24,349,809
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		2,975,281	1,631,854
26.	Net realized capital gains (losses) less capital gains tax of \$.....			
27.	Net investment gains (losses) (Lines 25 plus 26)		2,975,281	1,631,854
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)]			
29.	Aggregate write-ins for other income or expenses			
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	28,598,053	25,981,663
31.	Federal and foreign income taxes incurred	X X X	7,475,870	8,996,207
32.	Net income (loss) (Lines 30 minus 31)	X X X	21,122,183	16,985,456
DETAILS OF WRITE-INS				
0601	.....	X X X		
0602	.....	X X X		
0603	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701	.....	X X X		
0702	.....	X X X		
0703	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	Home Health Care, DME, Transportation, etc.		8,026,808	6,613,489
1402	.....		
1403	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		8,026,808	6,613,489
2901	.....		
2902	.....		
2903	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	33,024,496	38,256,055
GAINS AND LOSSES TO CAPITAL & SURPLUS			
34.	Net income or (loss) from Line 32	21,122,183	16,985,456
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	(2,062,228)	(123,886)
39.	Change in nonadmitted assets	(89,652)	1,343,475
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders	(9,532,479)	(23,436,604)
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	9,437,824	(5,231,559)
49.	Capital and surplus end of reporting year (Line 33 plus 48)	42,462,320	33,024,496
DETAILS OF WRITE-INS			
4701.	.....	
4702.	.....	
4703	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	492,838,523	412,382,509
2.	Net investment income	3,016,665	1,533,353
3.	Miscellaneous income		
4.	Total (Lines 1 through 3)	495,855,188	413,915,862
5.	Benefit and loss related payments	408,662,856	339,442,255
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	61,247,817	62,760,316
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) \$..... net of tax on capital gains (losses)	7,475,870	8,996,209
10.	Total (Lines 5 through 9)	477,386,543	411,198,780
11.	Net cash from operations (Line 4 minus 10)	18,468,645	2,717,082
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	21,894,344	14,325,000
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)	21,894,344	14,325,000
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	5,991,275	27,185,390
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		6,597
13.7	Total investments acquired (Lines 13.1 to 13.6)	5,991,275	27,191,987
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	15,903,069	(12,866,987)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders	9,532,479	23,436,604
16.6	Other cash provided (applied)	(1,513,543)	189,628
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(11,046,022)	(23,246,976)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	23,325,692	(33,396,881)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	42,117,880	75,514,761
19.2	End of year (Line 18 plus Line 19.1)	65,443,572	42,117,880

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001		
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS
(Gain and Loss Exhibit)

		1	2	3	4	5	6	7	8	9	10	11	12	13
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employee Health Benefit Plan	Title XVIII- Medicare	Title XIX- Medicaid	Stop Loss	Disability Income	Long- term Care	Other Health	Other Non-Health
1.	Net premium income	503,219,052							503,219,052					
2.	Change in unearned premium reserves and reserve for rate credit													
3.	Fee-for-service (net of \$..... medical expenses)													X X X
4.	Risk revenue													X X X
5.	Aggregate write-ins for other health care related revenues													X X X
6.	Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7.	Total revenues (Lines 1 to 6)	503,219,052							503,219,052					
8.	Hospital/medical benefits	303,805,330							303,805,330					X X X
9.	Other professional services	18,624,599							18,624,599					X X X
10.	Outside referrals													X X X
11.	Emergency room and out-of-area	39,528,665							39,528,665					X X X
12.	Prescription drugs	47,854,565							47,854,565					X X X
13.	Aggregate write-ins for other hospital and medical	8,026,808							8,026,808					X X X
14.	Incentive pool, withhold adjustments and bonus amounts													X X X
15.	Subtotal (Lines 8 to 14)	417,839,967							417,839,967					X X X
16.	Net reinsurance recoveries	2,311,706							2,311,706					X X X
17.	Total hospital and medical (Lines 15 minus 16)	415,528,261							415,528,261					X X X
18.	Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19.	Claims adjustment expenses including \$.....10,299,693 cost containment expenses	12,033,827							12,033,827					
20.	General administrative expenses	50,034,192							50,034,192					
21.	Increase in reserves for accident and health contracts													X X X
22.	Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23.	Total underwriting deductions (Lines 17 to 22)	477,596,280							477,596,280					
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	25,622,772							25,622,772					
DETAILS OF WRITE-INS														
0501	.....													X X X
0502	.....													X X X
0503	.....													X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page													X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)													X X X
0601	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.	Home Health Care, DME, Transportation, etc.	8,026,808							8,026,808					X X X
1302	.....													X X X
1303	.....													X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page													X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)	8,026,808							8,026,808					X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
Line of Business					
1.	Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....
5.	Federal Employee Health Benefits Plan .....	.....	.....	.....	.....
6.	Title XVIII - Medicare .....	.....	.....	.....	.....
7.	Title XIX - Medicaid	505,065,339	.....	1,846,287	503,219,052
8.	Stop loss .....	.....	.....	.....	.....
9.	Disability income .....	.....	.....	.....	.....
10.	Long-term care .....	.....	.....	.....	.....
11.	Other health .....	.....	.....	.....	.....
12.	Health subtotal (Lines 1 through 11)	505,065,339	.....	1,846,287	503,219,052
13.	Life .....	.....	.....	.....	.....
14.	Property/casualty .....	.....	.....	.....	.....
15.	TOTALS (Lines 12 to 14)	505,065,339	.....	1,846,287	503,219,052

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - Claims Incurred During the Year

6

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Payments during the year:													
1.1 Direct	410,716,993							410,716,993					
1.2 Reinsurance assumed													
1.3 Reinsurance ceded	2,054,137							2,054,137					
1.4 Net	408,662,856							408,662,856					
2. Paid medical incentive pools and bonuses													
3. Claim liability December 31, current year from Part 2A:													
3.1 Direct	58,237,042							58,237,042					
3.2 Reinsurance assumed													
3.3 Reinsurance ceded													
3.4 Net	58,237,042							58,237,042					
4. Claim reserve December 31, current year from Part 2D:													
4.1 Direct													
4.2 Reinsurance assumed													
4.3 Reinsurance ceded													
4.4 Net													
5. Accrued medical incentive pools and bonuses, current year													
6. Net healthcare receivables (a)	(116,434)							(116,434)					
7. Amounts recoverable from reinsurers December 31, current year	381,346							381,346					
8. Claim liability December 31, prior year from Part 2A:													
8.1 Direct	50,997,634							50,997,634					
8.2 Reinsurance assumed													
8.3 Reinsurance ceded													
8.4 Net	50,997,634							50,997,634					
9. Claim reserve December 31, prior year from Part 2D:													
9.1 Direct													
9.2 Reinsurance assumed													
9.3 Reinsurance ceded													
9.4 Net													
10. Accrued medical incentive pools and bonuses, prior year													
11. Amounts recoverable from reinsurers December 31, prior year	123,777							123,777					
12. Incurred benefits:													
12.1 Direct	417,839,967							417,839,967					
12.2 Reinsurance assumed													
12.3 Reinsurance ceded	2,311,706							2,311,706					
12.4 Net	415,528,261							415,528,261					
13. Incurred medical incentive pools and bonuses													

(a) Excludes \$..... loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - Claims Liability End of Current Year

10

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Reported in Process of Adjustment:													
1.1 Direct	14,136,553							14,136,553					
1.2 Reinsurance assumed													
1.3 Reinsurance ceded													
1.4 Net	14,136,553							14,136,553					
2. Incurred but Unreported:													
2.1 Direct	44,100,489							44,100,489					
2.2 Reinsurance assumed													
2.3 Reinsurance ceded													
2.4 Net	44,100,489							44,100,489					
3. Amounts Withheld from Paid Claims and Capitations:													
3.1 Direct													
3.2 Reinsurance assumed													
3.3 Reinsurance ceded													
3.4 Net													
4. TOTALS													
4.1 Direct	58,237,042							58,237,042					
4.2 Reinsurance assumed													
4.3 Reinsurance ceded													
4.4 Net	58,237,042							58,237,042					

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical) .....	.....	.....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan .....	.....	.....	.....	.....	.....	.....
6.	Title XVIII - Medicare .....	.....	.....	.....	.....	.....	.....
7.	Title XIX - Medicaid	46,057,405	362,224,105	843,098	57,393,944	46,900,503	50,873,857
8.	Other health .....	.....	.....	.....	.....	.....	.....
9.	Health subtotal (Lines 1 to 8)	46,057,405	362,224,105	843,098	57,393,944	46,900,503	50,873,857
10.	Healthcare receivables (a) .....	.....	151,969	.....	.....	.....	35,535
11.	Other non-health .....	.....	.....	.....	.....	.....	.....
12.	Medical incentive pool and bonus amounts .....	.....	.....	.....	.....	.....	.....
13.	TOTALS (Lines 9 - 10 + 11 + 12)	46,057,405	362,072,136	843,098	57,393,944	46,900,503	50,838,322

(a) Excludes \$..... loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	24,821	25,487	25,487	25,487	25,487
2.	2001	199,425	230,559	229,814	229,814	229,814
3.	2002	X X X	240,807	278,514	278,727	278,727
4.	2003	X X X	X X X	274,928	316,910	316,833
5.	2004	X X X	X X X	X X X	297,407	343,542
6.	2005	X X X	X X X	X X X	X X X	362,072

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	24,821	25,843	25,504	25,487	25,487
2.	2001	255,710	232,888	229,954	229,814	229,814
3.	2002	X X X	291,646	279,656	278,770	278,727
4.	2003	X X X	X X X	321,003	317,476	316,984
5.	2004	X X X	X X X	X X X	347,796	344,234
6.	2005	X X X	X X X	X X X	X X X	419,466

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2001	282,977	229,814			229,814	81.213			229,814	81.213
2.	2002	346,262	278,727	8,491	3.046	287,218	82.948			287,218	82.948
3.	2003	409,967	316,833	9,534	3.009	326,367	79.608	151		326,518	79.645
4.	2004	430,917	343,542	11,056	3.218	354,598	82.289	692	240	355,530	82.505
5.	2005	503,219	362,072	10,030	2.770	372,102	73.944	57,394	1,410	430,906	85.630

12 Total

12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . .	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare	NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	24,821	25,487	25,487	25,487	25,487
2.	2001	199,425	230,559	229,814	229,814	229,814
3.	2002	X X X	240,807	278,514	278,727	278,727
4.	2003	X X X	X X X	274,928	316,910	316,833
5.	2004	X X X	X X X	X X X	297,407	343,542
6.	2005	X X X	X X X	X X X	X X X	362,072

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2001	2 2002	3 2003	4 2004	5 2005
1.	Prior	24,821	25,843	25,504	25,487	25,487
2.	2001	255,710	232,888	229,954	229,814	229,814
3.	2002	X X X	291,646	279,656	278,770	278,727
4.	2003	X X X	X X X	321,003	317,476	316,984
5.	2004	X X X	X X X	X X X	347,796	344,234
6.	2005	X X X	X X X	X X X	X X X	419,466

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2001	282,977	229,814			229,814	81.213			229,814	81.213
2.	2002	346,262	278,727	8,491	3.046	287,218	82.948			287,218	82.948
3.	2003	409,967	316,833	9,534	3.009	326,367	79.608	151		326,518	79.645
4.	2004	430,917	343,542	11,056	3.218	354,598	82.289	692	240	355,530	82.505
5.	2005	503,219	362,072	10,030	2.770	372,102	73.944	57,394	1,410	430,906	85.630

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$..... for occupancy of own building)			1,989,563		1,989,563
2.	Salaries, wages and other benefits	9,085,504	1,124,643	19,113,463		29,323,610
3.	Commissions (less \$..... ceded plus \$..... assumed)					
4.	Legal fees and expenses			971,366		971,366
5.	Certifications and accreditation fees					
6.	Auditing, actuarial and other consulting services			1,001,383		1,001,383
7.	Traveling expenses	122,507	1,088	915,507		1,039,102
8.	Marketing and advertising	5,503		568,640		574,143
9.	Postage, express and telephone	164,030		1,863,807		2,027,837
10.	Printing and office supplies	103,441		984,427		1,087,868
11.	Occupancy, depreciation and amortization			4,336,268		4,336,268
12.	Equipment					
13.	Cost or depreciation of EDP equipment and software			1,699,241		1,699,241
14.	Outsourced services including EDP, claims, and other services	233,321	229,985	2,660,214		3,123,520
15.	Boards, bureaus and association fees	1,028		682,152		683,180
16.	Insurance, except on real estate			1,605,139		1,605,139
17.	Collection and bank service charges	258,335		61,006		319,341
18.	Group service and administration fees					
19.	Reimbursements by uninsured accident and health plans					
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses					
22.	Real estate taxes					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes					
23.2	State premium taxes			6,144,878		6,144,878
23.3	Regulator authority licenses and fees					
23.4	Payroll taxes			3,339,901		3,339,901
23.5	Other (excluding federal income and real estate taxes)			535,014		535,014
24.	Investment expenses not included elsewhere					
25.	Aggregate write-ins for expenses	326,024	378,418	1,562,223		2,266,665
26.	Total expenses incurred (Lines 1 to 25)	10,299,693	1,734,134	50,034,192		(a) 62,068,019
27.	Less expenses unpaid December 31, current year	1,649,855		152,027		1,801,882
28.	Add expenses unpaid December 31, prior year	1,349,377				1,349,377
29.	Amounts receivable relating to uninsured accident and health plans, prior year					
30.	Amounts receivable relating to uninsured accident and health plans, current year					
31.	Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	9,999,215	1,734,134	49,882,165		61,615,514
DETAILS OF WRITE-INS						
2501.	Benefit Enhancement, Recruitment, Training/Seminars	326,024	378,418	1,562,223		2,266,665
2502	.....				
2503	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page					
2599.	Totals (Lines 2501 through 2503 + 2598)(Line 25 above)	326,024	378,418	1,562,223		2,266,665

(a) Includes management fees of \$.....34,070,272 to affiliates and \$..... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a)..... 939,370	..... 914,261
1.1	Bonds exempt from U.S. tax	(a).....	.....
1.2	Other bonds (unaffiliated)	(a).....	.....
1.3	Bonds of affiliates	(a).....	.....
2.1	Preferred stocks (unaffiliated)	(b).....	.....
2.11	Preferred stocks of affiliates	(b).....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e)..... 2,077,295	..... 2,061,020
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	Total gross investment income .....	..... 3,016,665	..... 2,975,281
11.	Investment expenses	(g).....	
12.	Investment taxes, licenses and fees, excluding federal income taxes	(g).....	
13.	Interest expense	(h).....	
14.	Depreciation on real estate and other invested assets	(i).....	
15.	Aggregate write-ins for deductions from investment income .....	.....
16.	Total deductions (Lines 11 through 15) .....	.....
17.	Net Investment income (Line 10 minus Line 16) .....	..... 2,975,281	
DETAILS OF WRITE-INS			
0901	.....	.....	.....
0902	.....	.....	.....
0903	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....
1501	.....	.....	.....
1502	.....	.....	.....
1503	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....	.....	.....
(a) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.			
(b) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued dividends on purchases.			
(c) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.			
(d) Includes \$..... for company's occupancy of its own buildings; and excludes \$..... interest on encumbrances.			
(e) Includes \$..... accrual of discount less \$..... amortization of premium and less \$..... paid for accrued interest on purchases.			
(f) Includes \$..... accrual of discount less \$..... amortization of premium.			
(g) Includes \$..... investment expenses and \$..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$..... interest on surplus notes and \$..... interest on capital notes.			
(i) Includes \$..... depreciation on real estate and \$..... depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Total
1.	U.S. Government bonds .....	.....	.....	.....	.....
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....	.....
1.2	Other bonds (unaffiliated) .....	.....	.....	.....	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	.....
3.	Mortgage loans .....	.....	.....	.....	.....
4.	Real estate .....	.....	.....	.....	.....
5.	Contract loans .....	.....	.....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....
10.	Total capital gains (losses) .....	.....	.....	.....	.....
DETAILS OF WRITE-INS					
0901	.....	.....	.....	.....	.....
0902	.....	.....	.....	.....	.....
0903	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....	.....	.....

NONE

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens			
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties occupied for the production of income			
4.3	Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Other invested assets (Schedule BA)			
8.	Receivables for securities			
9.	Aggregate write-ins for invested assets			
10.	Subtotals, cash and invested assets (Lines 1 to 9)			
11.	Title plants (for Title insurers only)			
12.	Invested income due and accrued			
13.	Premium and considerations:			
13.1	Uncollected premiums and agents' balances in the course of collection			
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3	Accrued retrospective premiums			
14.	Reinsurance:			
14.1	Amounts recoverable from reinsurers			
14.2	Funds held by or deposited with reinsured companies			
14.3	Other amounts receivable under reinsurance contracts			
15.	Amounts receivable relating to uninsured plans			
16.1	Current federal and foreign income tax recoverable and interest thereon			
16.2	Net deferred tax asset			
17.	Guaranty funds receivable or on deposit			
18.	Electronic data processing equipment and software		34,603	34,603
19.	Furniture and equipment, including health care delivery assets	633,420	625,599	(7,821)
20.	Net adjustment in assets and liabilities due to foreign exchange rates			
21.	Receivable from parent, subsidiaries and affiliates			
22.	Health care and other amounts receivable	151,969	35,535	(116,434)
23.	Aggregate write-ins for other than invested assets	14,773,720	14,773,720	
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	15,559,109	15,469,457	(89,652)
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26.	Total (Lines 24 and 25)	15,559,109	15,469,457	(89,652)
DETAILS OF WRITE-INS				
0901	.....		
0902	.....		
0903	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page			
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)			
2301.	Goodwill	14,773,720	14,773,720	
2302	.....		
2303	.....		
2398.	Summary of remaining write-ins for Line 23 from overflow page			
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	14,773,720	14,773,720	

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	170,859	171,587	174,662	176,832	182,697	2,100,641
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	170,859	171,587	174,662	176,832	182,697	2,100,641
DETAILS OF WRITE-INS							
0601	.....					
0602	.....					
0603	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statement

1. Summary of Significant Accounting Policies

A. Accounting Practices

The Financial Statements of AMERIGROUP Maryland, Inc., a Managed Care Organization (the Company) is presented on the basis of accounting practices prescribed or permitted by the District of Columbia Department of Insurance and Securities Regulations.

The District of Columbia Department of Insurance and Securities Regulations recognizes only statutory accounting practices prescribed or permitted by the District of Columbia for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the District of Columbia Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual, version effective March 2005 (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Maryland and the District of Columbia.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with the Statutory Accounting Principles requires management to make estimates and assumptions that affect the report amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

The Company records premium revenues based on its membership records and premiums rates for each membership category within each county. Premiums are due monthly and are recognized as revenue during the period in which the company is obligated to provide service to members.

In addition, the company uses the following accounting policies.

- (1) Short-term investments are stated at amortized cost. Any Bonds not backed by other loans are stated at amortized cost using the interest method.
- (2) Unpaid Claims and loss adjustment expenses include an amount determined from individual case estimates and claim reports and an amount , based on past experience, for claims incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (3) There were no changes to the Company’s capitalization policy of fixed assets.

2. Accounting Changes and Corrections of Errors

None.

3. Business Combinations and Goodwill

Goodwill which represents the excess of aggregate purchase price over the estimated fair value of net assets acquired is considered nonadmitted for statutory reporting purposes under the Company’s interpretation of Statement of Statutory Accounting Principles (SSAP) No. 68, *Business Combinations and Goodwill*.

4. Discontinued Operations

None.

5. Investments

The Company as of December 31, 2005 does not possess or reflect any Mortgage Loans, Debt Restructuring, Reverse Mortgages, Loan-Backed Securities or Repurchase Agreements.

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company as of December 31, 2005 had no investments in Joint Ventures, Partnerships and Limited Liability Companies.

7. Investment Income

The Company reports only investment income that is earned as due and accrued.

8. Derivative Instruments

Notes to Financial Statement

The Company as of December 31, 2005 had no investments in Derivative Instruments.

9. Income Taxes

A. The components of the net deferred tax asset/ (liability) at December 31st are as follows:

	2005	2004
The components of all deferred tax assets (admitted and non admitted)	\$6,030,390	\$8,604,342
Total of all deferred tax liabilities	0	0
Total deferred tax assets nonadmitted in accordance with SSAP		
No.10, Income Taxes	\$4,761,582	\$5,273,306
Total of all deferred tax assets	\$1,268,808	\$3,331,036
Increase (decrease) in deferred tax assets nonadmitted	\$ 511,724	\$ 567,535

B. Current income taxes incurred consist of the following major components:

	2005	2004
Current year expense	\$7,745,870	\$ 8,996,207
Current income taxes incurred	\$7,745,870	\$ 8,996,207

C. The main components of the 2005 deferred income tax amounts are as follows:

DTAs	Statutory	Tax	Difference	Tax Effect
Goodwill	\$ 0	\$14,697,915	\$14,697,915	\$5,144,270
Property and Equipment	\$ 53,508	\$ 733,035	\$ 679,527	\$ 237,834
Claims Unpaid	\$ 0	\$ 1,286,790	\$ 1,286,790	\$ 450,377
Contractual Allowance	\$ 0	\$ 553,517	\$ 553,517	\$ 193,731
Accrued Expenses	\$ 0	\$ 0	\$ 0	\$ 0
Unearned Revenue	\$ 0	\$ 11,936	\$ 11,936	\$ 11,936
Total DTAs	\$ 53,508	\$17,283,193	\$17,229,685	\$6,030,390
DTAs nonadmitted	\$ (26,558)	\$(13,631,077)	\$(13,604,519)	\$(4,761,582)

The changes in main components of DTAs are as follows:

DTAs resulting from book/tax differences in

	2005	2004	CHANGE
Goodwill	\$ 5,144,270	\$ 5,699,351	\$ (55,081)
Property & Equipment	\$ 237,834	\$ 164,854	\$ 72,980
Claims Unpaid	\$ 450,377	\$ 426,195	\$ 24,182
Contractual Allowances	\$ 193,731	\$ 107,953	\$ 85,778
Other Accrued Expenses	\$ -	\$ 2,150,353	\$ (2,150,353)
Unearned Revenue	\$ 4,178	\$ 55,636	\$ (51,458)
Total DTA's	\$ 6,030,390	\$ 8,604,342	\$ (2,573,952)
DTAs nonadmitted	\$ (4,761,582)	\$(5,273,306)	\$ 511,724

D. Among the more significant book to tax adjustments were the following:

	Amount	Tax Effect
Income before taxes	\$ 29,118,075	\$ 10,191,326
Lobbying	\$ 263,370	\$ 92,180
Other permanent differences	\$ 42,844	\$ 14,995
Depreciation	\$ 134,460	\$ 47,061
Amortization	\$ (1,569,313)	\$ (549,260)
Accrued Expenses	\$ (6,143,867)	\$(2,150,353)
Allowance for Doubtful Accounts	\$ 128,646	\$ 45,026
IBNR	\$ 69,094	\$ 24,183
Unearned Revenue	\$ (147,025)	\$ (51,459)
State Tax Expense	\$ (536,655)	\$ (187,829)
Taxable Income	\$ 21,359,629	\$ 7,475,870

E. The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

2005	\$7,475,870
2004	\$8,996,207

Notes to Financial Statement

2003 \$4,595,592

Note: 2003 is provision.

2005 Company’s federal income tax return is consolidated with the following entities:

- AMERIGROUP Corporation (Parent)
- AMERIGROUP Florida, Inc.
- AMERIGROUP Illinois, Inc.
- AMERIGROUP New Jersey, Inc.
- AMERIGROUP Texas, Inc.
- AMERIGROUP Virginia, Inc.
- AMERIGROUP Ohio, Inc.
- AMERIGROUP Maryland, Inc., a Managed Care Organization
- AMERIGROUP Georgia Managed Care Company, Inc.
- PHP Holdings, Inc.
- CarePlus, LLC
- Intelli-Dent IPA, Inc.

AMERIGROUP Corporation has a written agreement outlining the method of allocating federal income tax between the entities. The allocation is based upon separate return calculations for each member of the affiliated group. If a member has a net loss, current credit is provided to the extent that the member has previously paid taxes.

10. Information Concerning Parent , Subsidiaries and Affiliates

- (1) AMERIGROUP Corporation owns 100% of the outstanding shares of the company and provides administrative and financial support services to the Company. Inter-company management fees are charged to the Company in accordance with a Management Services Agreement based on generally accepted accounting principles. As of December 31, 2005 the Company owed \$1,572,389 to the AMERIGROUP Corporation. This amount was due to the difference between the estimated amount paid for Management fees to the parent and the final amount due. This amount will be paid in January 2006.
- (2) On March 25, 2005, the District of Columbia approved an annual dividend proposal payable to AMERIGROUP Corporation. Year-to-date dividends total \$9,532,479.

11. Debt

The Company has no debt outstanding.

12. Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefits Plans

The Company’s employees have the option to participate in a deferred compensation plan sponsored by AMERIGROUP Corporation. All full-time and most part-time employees of AMERIGROUP Corporation and the Company may elect to participate in this plan. This plan is exempt from income taxes under Section 401(k) of the Internal Revenue Code. Participants may contribute a certain percentage of their compensation subject to maximum federal and plan limits. AMERIGROUP Corporation may elect to match a certain percentage of each employee’s contributions up to specified limits. For the years ended December 31, 2005, and 2004, AMERIGROUP Corporation’s matching contribution under the plan was approximately \$ 1,700,000 and \$1,227,000, respectively, and was not directly charged to the Company.

13. Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations.

- (1) The Company has 1000 shares of common stock authorized and 100 shares outstanding.
- (2) The Company has no preferred stock outstanding.

14. Contingencies

In April 2004, the Maryland legislature passed a law which required the Company, as well as another managed care company, to return a portion of premiums received in 2002. This legislation stated that Maryland’s Department of Health and Mental Hygiene should recoup funds because the Company spent less than 84% of their Medicaid premiums on managed care in 2002 while producing “below average health outcomes.” As a result, the Company was assessed a premium reduction of approximately \$846,000 for calendar year 2002.

The Company believed that Maryland would attempt to recoup 2003 premium revenue based on similar criteria. For the year ended December 31, 2004, based on an analysis of the relevant facts and the accounting literature, the Company accrued approximately \$6,143,868 for the probable return of premiums for 2003. During the 2005 legislative session, no budget action was taken to recoup premium relating to 2003 as it did in the 2004 legislative

Notes to Financial Statement

session. Second, the Maryland Legislature amended the existing statute to clarify the process and required that regulations be promulgated by the Department of Health and Mental Hygiene before an action could be taken to recoup premium based upon a managed care organization’s medical loss ratio. Based on this information, the Company reversed the reduction in premium that was previously recorded resulting in \$6,143,868 of additional premium revenue in the year ended December 31, 2005.

15. Leases

The Company leases office space under an operating lease agreement that expires October of 2004 and October 2006. Rental expense for 2004 and 2005 was approximately \$800,262 and \$865,592, respectively. At January 1, 2006, the minimum aggregate rental commitments are as follows:

2006 - \$729,478
2007 - \$358,791
2008 - \$358,791

The company is not involved in any sale-leaseback transactions.

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial With Concentrations of Credit Risk.

None.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans.

None.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators.

None.

20. September 11 Events

None.

21. Other Items

None.

22. Events Subsequent

None.

23. Reinsurance

A new contract was signed with the same vendor in July 2005. The Company during this reporting period had no Unsecured Reinsurance Recoverables, Reinsurance Recoverable in Dispute, Uncollectible Reinsurance, Commutation of Reinsurance or Retroactive Reinsurance.

24. Retrospectively Rated Contracts

None.

25. Change in Incurred Claims and Claim Adjustment Expenses

The changes to reserves for incurred claims and claim adjustment expenses result from re-estimation and are reflected in the period determined.

26. Intercompany Pooling Arrangements

None.

27. Structured Settlements

None.

Notes to Financial Statement

28. Health Care Receivables

None.

29. Participating Policies

None.

30. Premium Deficiency Reserves

None.

31. Salvage and Subrogation

None.

SUMMARY INVESTMENT SCHEDULE

Investment Categories		Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
		1 Amount	2 Percentage	3 Amount	4 Percentage
1.	Bonds:				
1.1	U.S. treasury securities				
1.2	U.S. government agency obligations (excluding mortgage-backed securities):				
1.21	Issued by U.S. government agencies	24,686,171	27.390	24,686,171	27.390
1.22	Issued by U.S. government sponsored agencies				
1.3	Foreign government (including Canada, excluding mortgage-backed securities)				
1.4	Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41	States, territories and possessions general obligations				
1.42	Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43	Revenue and assessment obligations				
1.44	Industrial development and similar obligations				
1.5	Mortgage-backed securities (includes residential and commercial MBS):				
1.51	Pass-through securities:				
1.511	Issued or Guaranteed by GNMA				
1.512	Issued or Guaranteed by FNMA and FHLMC				
1.513	All other				
1.52	CMOs and REMICs:				
1.521	Issued or guaranteed by GNMA, FNMA, FHLMC or VA				
1.522	Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523	All other				
2.	Other debt and other fixed income securities (excluding short term):				
2.1	Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2	Unaffiliated foreign securities				
2.3	Affiliated securities				
3.	Equity interests:				
3.1	Investments in mutual funds				
3.2	Preferred stocks:				
3.21	Affiliated				
3.22	Unaffiliated				
3.3	Publicly traded equity securities (excluding preferred stocks):				
3.31	Affiliated				
3.32	Unaffiliated				
3.4	Other equity securities:				
3.41	Affiliated				
3.42	Unaffiliated				
3.5	Other equity interests including tangible personal property under lease:				
3.51	Affiliated				
3.52	Unaffiliated				
4.	Mortgage loans:				
4.1	Construction and land development				
4.2	Agricultural				
4.3	Single family residential properties				
4.4	Multifamily residential properties				
4.5	Commercial loans				
4.6	Mezzanine real estate loans				
5.	Real estate investments:				
5.1	Property occupied by company				
5.2	Property held for production of income (including \$..... of property acquired in satisfaction of debt)				
5.3	Property held for sale (including \$..... property acquired in satisfaction of debt)				
6.	Contract loans				
7.	Receivables for securities				
8.	Cash, cash equivalents and short-term investments	65,443,572	72.610	65,443,572	72.610
9.	Other invested assets				
10.	Total invested assets	90,129,743	100.000	90,129,743	100.000

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
Dist. of Columbia
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2002
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2002
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

04/22/2004
- 3.4 By what department or departments?
District of Columbia's Department of Insurance, Securities and Banking
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement)

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

 %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
		.. Yes[] No[X] .	.. Yes[] No[X] .	.. Yes[] No[X] .	.. Yes[] No[X] .	.. Yes[] No[X] .

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG - 1200 Dominion Towers 999 Waterside Dr. Norfolk, VA 23510
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Reden & Anders, LTD. 1200 17th St. Suite 750 Denver, CO 80202
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[] No[X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved
- 11.13 Total book/adjusted carrying value

\$
- 11.2 If yes, provide explanation
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[] No[X] N/A[]
- 12.3 Have there been any changes made to any of the trust indentures during the year?

Yes[] No[] N/A[X]
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes[] No[] N/A[X]

GENERAL INTERROGATORIES (Continued)
BOARD OF DIRECTORS

13. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[]
14. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[]
15. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[]

FINANCIAL

- 16.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

16.11 To directors or other officers

16.12 To stockholders not officers

16.13 Trustees, supreme or grand (Fraternal only)

\$
\$
\$
- 16.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

16.21 To directors or other officers

16.22 To stockholders not officers

16.23 Trustees, supreme or grand (Fraternal only)

\$
\$
\$
- 17.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[] No[X]
- 17.2 If yes, state the amount thereof at December 31 of the current year:

17.21 Rented from others

17.22 Borrowed from others

17.23 Leased from others

17.24 Other

\$
\$
\$
\$
- 18.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[] No[X]
- 18.2 If answer is yes:

18.21 Amount paid as losses or risk adjustment

18.22 Amount paid as expenses

18.23 Other amounts paid

\$
\$
\$
- 19.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[] No[X]
- 19.2 If yes, indicate any amounts receivable from parent included in the page 2 amount:

\$

INVESTMENT

- 20.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits?

Yes[X] No[]
- 20.2 If no, give full and complete information, relating thereto:
- 21.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 17.1).

Yes[] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Loaned to others

21.22 Subject to repurchase agreements

21.23 Subject to reverse repurchase agreements

21.24 Subject to dollar repurchase agreements

21.25 Subject to reverse dollar repurchase agreements

21.26 Pledged as collateral

21.27 Placed under option agreements

21.28 Letter stock or securities restricted as to sale

21.29 Other

\$
\$
\$
\$
\$
\$
\$
\$
\$
- 21.3 For category (21.28) provide the following:
- | 1 | 2 | 3 |
|-----------------------|-------------|--------|
| Nature of Restriction | Description | Amount |
| | | |
- 22.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[] No[X]
- 22.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

Yes[] No[] N/A[X]
- 23.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[] No[X]
- 23.2 If yes, state the amount thereof at December 31 of the current year.

\$
24. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[]
- 24.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:
- | 1 | 2 |
|----------------------|---|
| Name of Custodian(s) | Custodian's Address |
| SunTrust Bank | 919 East Main Street, 7th floor, Richmond, VA 23219 |
| | |
| | |
| | |
| | |
- 24.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

GENERAL INTERROGATORIES (Continued)

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year? Yes[] No[X]
24.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

24.05 Identify all investment advisers, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
.....

25.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])? Yes[] No[X]
25.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
25.2999 Total

25.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....

26. Provide the following information for all short term and long term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
26.1 Bonds .....	..... 31,090,224	..... 30,963,101	..... (127,123)
26.2 Preferred stocks .....	.....	.....	.....
26.3 Totals .....	..... 31,090,224	..... 30,963,101	..... (127,123)

26.4 Describe the sources of methods utilized in determining the fair values
Month-end brokerage statements

27.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[X] No[]
27.2 If no, list exceptions:

OTHER

28.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$..... 22,369
28.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
DC HMO Association .....	..... 10,350

29.1 Amount of payments for legal expenses, if any? \$..... 371,681
29.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid
Epstein, Becker and Green	230,236
Navigant	92,665

30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$..... 22,500

30.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
Funk & Bolton	22,500

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[] No[X]
- 1.2 If yes, indicate premium earned on U.S. business only:

\$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$
- 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$
- 1.6 Individual policies - Most current three years:
- 1.61 Total premium earned

\$
- 1.62 Total incurred claims

\$
- 1.63 Number of covered lives

\$
- All years prior to most current three years:
- 1.64 Total premium earned

\$
- 1.65 Total incurred claims

\$
- 1.66 Number of covered lives

\$
- 1.7 Group policies - Most current three years:
- 1.71 Total premium earned

\$
- 1.72 Total incurred claims

\$
- 1.73 Number of covered lives

\$
- All years prior to most current three years:
- 1.74 Total premium earned

\$
- 1.75 Total incurred claims

\$
- 1.76 Number of covered lives

\$

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator	513,219,052	430,917,207
2.2	Premium Denominator	513,219,052	430,917,207
2.3	Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4	Reserve Numerator	58,237,042	50,997,634
2.5	Reserve Denominator	58,237,042	50,997,634
2.6	Reserve Ratio (2.4 / 2.5)	1.000	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency?

Yes[X] No[]
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[] No[X]
- 5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[]
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical

\$ 345,000
- 5.32 Medical Only

\$
- 5.33 Medicare Supplement

\$
- 5.34 Dental

\$
- 5.35 Other Limited Benefit Plan

\$
- 5.36 Other

\$
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

AMERIGROUP Maryland, Inc. has an insolvency continuation and conversion provision with Allianz in the event of insolvency.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service data base?

Yes[X] No[]
- 7.2 If no, give details:
8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year

..... 8,934
- 8.2 Number of providers at end of reporting year

..... 9,722
- 9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[] No[X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months

..... 0
- 9.22 Business with rate guarantees over 36 months

..... 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[] No[X]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses

\$
- 10.22 Amount actually paid for year bonuses

\$
- 10.23 Maximum amount payable withholds

\$
- 10.24 Amount actually paid for year withholds

\$
- 11.1 Is the reporting entity organized as:
- 11.12 A medical Group/Staff Model,

Yes[X] No[]
- 11.13 An Individual Practice Association (IPA), or,

Yes[] No[X]
- 11.14 A Mixed Model (combination of above)?

Yes[] No[X]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes[X] No[]
- 11.3 If yes, show the name of the state requiring such net worth.

District of Columbia
- 11.4 If yes, show the amount required.

\$ 32,802,704
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[] No[X]
- 11.6 If the amount is calculated, show the calculation.

Please see RBC calculations

12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
Allegany
Anne Arundel
Baltimore City
Calvert
Caroline
Carroll
Cecil
Charles

GENERAL INTERROGATORIES (Continued)

1	
Name of Service Area	
Dorchester	
Frederick	
Garrett	
Harford	
Howard	
Kent	
Montgomery	
Prince George	
Queen Anne's	
Somerset	
St. Mary's	
Talbot	
Washington	
Wicomico	
Worecester	
District of Columbia	
Eastern Shore	

FIVE-YEAR HISTORICAL DATA

	1 2005	2 2004	3 2003	4 2002	5 2001
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	104,133,312	95,079,124	114,158,871	105,267,805	79,600,770
2. Total liabilities (Page 3, Line 22)	61,670,992	62,054,628	75,902,817	84,945,495	57,835,165
3. Statutory surplus	32,802,704	33,024,496	38,256,055	20,322,310	21,756,605
4. Total capital and surplus (Page 3, Line 31)	42,462,320	33,024,496	38,256,055	20,322,310	21,765,605
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 8)	503,219,052	430,917,207	409,966,704	346,261,827	282,976,705
6. Total medical and hospital expenses (Line 18)	415,528,261	343,247,657	306,018,530	270,432,866	233,770,620
7. Claims adjustment expenses (Line 20)	12,033,827	11,146,279	9,278,508		
8. Total administrative expenses (Line 21)	50,034,192	52,173,462	67,046,104	62,031,431	42,370,057
9. Net underwriting gain (loss) (Line 24)	25,622,772	24,349,809	27,623,562	5,604,481	(318,937)
10. Net investment gain (loss) (Line 27)	2,975,281	1,631,854	1,303,442	1,768,758	3,203,435
11. Total other income (Lines 28 plus 29)					
12. Net income or (loss) (Line 32)	21,122,183	16,985,456	19,282,804	2,607,523	1,440,793
RISK-BASED CAPITAL ANALYSIS					
13. Total adjusted capital	42,462,320	33,024,496	38,256,055	20,322,310	21,765,605
14. Authorized control level risk-based capital	16,401,352	13,576,150	12,167,154	10,779,298	9,086,766
ENROLLMENT (Exhibit 1)					
15. Total members at end of period (Column 5, Line 7)	182,697	170,859	161,659	162,770	131,430
16. Total members months (Column 6, Line 7)	2,100,641	1,979,712	1,950,467	1,786,573	1,529,373
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5)x 100.0					
17. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
18. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	83				
19. Cost containment expenses	2	2	X X X	X X X	X X X
20. Other claims adjustment expenses	0	0			
21. Total underwriting deductions (Line 23)	95	94	93	98	100
22. Total underwriting gain (loss) (Line 24)	5	6	7	2	0
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
23. Total claims incurred for prior years (Line 13, Column 5)	46,900,503	42,804,339	38,260,803	34,486,310	28,447,976
24. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	50,838,322	47,352,323	53,525,233	56,285,669	46,719,479
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
25. Affiliated bonds (Sch. D Summary, Line 25, Column 1)					
26. Affiliated preferred stocks (Sch. D Summary, Line 39, Column 1)					
27. Affiliated common stocks (Sch. D Summary, Line 53, Column 2)					
28. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Column 5, Line 11)					
29. Affiliated mortgage loans on real estate					
30. All other affiliated					
31. Total of above Lines 25 to 30					

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description			1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1.	United States	24,686,171	24,569,940	24,676,822	24,700,000
	2.	Canada				
	3.	Other Countries				
	4.	Totals	24,686,171	24,569,940	24,676,822	24,700,000
States, Territories and Possessions (Direct and Guaranteed)	5.	United States				
	6.	Canada				
	7.	Other Countries				
	8.	Totals				
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)	9.	United States				
	10.	Canada				
	11.	Other Countries				
	12.	Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13.	United States				
	14.	Canada				
	15.	Other Countries				
	16.	Totals				
Public Utilities (unaffiliated)	17.	United States				
	18.	Canada				
	19.	Other Countries				
	20.	Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21.	United States				
	22.	Canada				
	23.	Other Countries				
	24.	Totals				
Parent, Subsidiaries and Affiliates	25.	Totals				
	26.	Total Bonds	24,686,171	24,569,940	24,676,822	24,700,000
PREFERRED STOCKS Public Utilities (unaffiliated)	27.	United States				
	28.	Canada				
	29.	Other Countries				
	30.	Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31.	United States				
	32.	Canada				
	33.	Other Countries				
	34.	Totals				
Industrial and Miscellaneous (unaffiliated)	35.	United States				
	36.	Canada				
	37.	Other Countries				
	38.	Totals				
Parent, Subsidiaries and Affiliates	39.	Totals				
	40.	Total Preferred Stocks				
COMMON STOCKS Public Utilities (unaffiliated)	41.	United States				
	42.	Canada				
	43.	Other Countries				
	44.	Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45.	United States				
	46.	Canada				
	47.	Other Countries				
	48.	Totals				
Industrial and Miscellaneous (unaffiliated)	49.	United States				
	50.	Canada				
	51.	Other Countries				
	52.	Totals				
Parent, Subsidiaries and Affiliates	53.	Totals				
	54.	Total Common Stocks				
	55.	Total Stocks				
	56.	Total Bonds and Stocks	24,686,171	24,569,940	24,676,822	

SCHEDULE D - Verification Between Years

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year	<u>40,589,240</u>	7. Amortization of premium.....	
2. Cost of bonds and stocks acquired, Column 7, Part 3.....	<u>5,986,900</u>	8. Foreign Exchange Adjustment:	
3. Accrual of discount.....	<u>4,375</u>	8.1 Column 15, Part 1.....	
4. Increase (decrease) by adjustment:		8.2 Column 19, Part 2, Section 1.....	
4.1 Columns 12 - 14, Part 1.....		8.3 Column 16, Part 2, Section 2.....	
4.2 Column 15 - 17, Part 2, Section 1....		8.4 Column 15, Part 4.....	
4.3 Column 15, Part 2, Section 2.....			
4.4 Column 11 - 13, Part 4.....		9. Book/adjusted carrying value at end of current period.....	<u>24,686,171</u>
5. Total gain (loss), Column 19, Part 4.....		10. Total valuation allowance.....	
6. Deduct consideration for bonds and stocks disposed of		11. Subtotal (Lines 9 plus 10).....	<u>24,686,171</u>
Column 7, Part 4.....	<u>21,894,344</u>	12. Total nonadmitted assets.....	
		13. Statement value of bonds and stocks, current period.....	<u>24,686,171</u>

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
Allocated by States and Territories

		1	2	Direct Business Only					
				3	4	5	6	7	8
State, Etc.		Guaranty Fund (Yes or No)	Is Insurer Licensed (Yes or No)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Deposit-Type Contract Funds	Property/ Casualty Premiums
1.	Alabama (AL)	No ..	No ..						
2.	Alaska (AK)	No ..	No ..						
3.	Arizona (AZ)	No ..	No ..						
4.	Arkansas (AR)	No ..	No ..						
5.	California (CA)	No ..	No ..						
6.	Colorado (CO)	No ..	No ..						
7.	Connecticut (CT)	No ..	No ..						
8.	Delaware (DE)	No ..	No ..						
9.	District of Columbia (DC)	No ..	Yes ..			98,749,014			
10.	Florida (FL)	No ..	No ..						
11.	Georgia (GA)	No ..	No ..						
12.	Hawaii (HI)	No ..	No ..						
13.	Idaho (ID)	No ..	No ..						
14.	Illinois (IL)	No ..	No ..						
15.	Indiana (IN)	No ..	No ..						
16.	Iowa (IA)	No ..	No ..						
17.	Kansas (KS)	No ..	No ..						
18.	Kentucky (KY)	No ..	No ..						
19.	Louisiana (LA)	No ..	No ..						
20.	Maine (ME)	No ..	No ..						
21.	Maryland (MD)	No ..	Yes ..			406,316,325			
22.	Massachusetts (MA)	No ..	No ..						
23.	Michigan (MI)	No ..	No ..						
24.	Minnesota (MN)	No ..	No ..						
25.	Mississippi (MS)	No ..	No ..						
26.	Missouri (MO)	No ..	No ..						
27.	Montana (MT)	No ..	No ..						
28.	Nebraska (NE)	No ..	No ..						
29.	Nevada (NV)	No ..	No ..						
30.	New Hampshire (NH)	No ..	No ..						
31.	New Jersey (NJ)	No ..	No ..						
32.	New Mexico (NM)	No ..	No ..						
33.	New York (NY)	No ..	No ..						
34.	North Carolina (NC)	No ..	No ..						
35.	North Dakota (ND)	No ..	No ..						
36.	Ohio (OH)	No ..	No ..						
37.	Oklahoma (OK)	No ..	No ..						
38.	Oregon (OR)	No ..	No ..						
39.	Pennsylvania (PA)	No ..	No ..						
40.	Rhode Island (RI)	No ..	No ..						
41.	South Carolina (SC)	No ..	No ..						
42.	South Dakota (SD)	No ..	No ..						
43.	Tennessee (TN)	No ..	No ..						
44.	Texas (TX)	No ..	No ..						
45.	Utah (UT)	No ..	No ..						
46.	Vermont (VT)	No ..	No ..						
47.	Virginia (VA)	No ..	No ..						
48.	Washington (WA)	No ..	No ..						
49.	West Virginia (WV)	No ..	No ..						
50.	Wisconsin (WI)	No ..	No ..						
51.	Wyoming (WY)	No ..	No ..						
52.	American Samoa (AS)	No ..	No ..						
53.	Guam (GU)	No ..	No ..						
54.	Puerto Rico (PR)	No ..	No ..						
55.	U.S. Virgin Islands (VI)	No ..	No ..						
56.	Canada (CN)	No ..	No ..						
57.	Aggregate other alien (OT)	X X X ..	X X X ..						
58.	Subtotal	X X X ..	X X X ..			505,065,339			
59.	Reporting entity contributions for Employee Benefit Plans	X X X ..	X X X ..						
60.	TOTAL (Direct Business)	X X X ..	(a)..... 2			505,065,339			
DETAILS OF WRITE-INS									
5701	.....	X X X ..	X X X ..						
5702	.....	X X X ..	X X X ..						
5703	.....	X X X ..	X X X ..						
5798.	Summary of remaining write-ins for Line 57 from overflow page	X X X ..	X X X ..						
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above)	X X X ..	X X X ..						

(a) Insert the number of yes responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.:

SCHEDULE T - PART 2
INTERSTATE COMPACT PRODUCTS - EXHIBIT OF PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES

Direct Business only							
		1	2	3	4	5	6
		Life (Group and Individual)	Annuities (Group and Individual)	Disability Income (Group and Individual)	Long-Term Care (Group and Individual)	Deposit-Type Contracts	
	States, Etc.						Totals
1.	Alabama (AL)						
2.	Alaska (AK)						
3.	Arizona (AZ)						
4.	Arkansas (AR)						
5.	California (CA)						
6.	Colorado (CO)						
7.	Connecticut (CT)						
8.	Delaware (DE)						
9.	District of Columbia (DC)						
10.	Florida (FL)						
11.	Georgia (GA)						
12.	Hawaii (HI)						
13.	Idaho (ID)						
14.	Illinois (IL)						
15.	Indiana (IN)						
16.	Iowa (IA)						
17.	Kansas (KS)						
18.	Kentucky (KY)						
19.	Louisiana (LA)						
20.	Maine (ME)						
21.	Maryland (MD)						
22.	Massachusetts (MA)						
23.	Michigan (MI)						
24.	Minnesota (MN)						
25.	Mississippi (MS)						
26.	Missouri (MO)						
27.	Montana (MT)						
28.	Nebraska (NE)						
29.	Nevada (NV)						
30.	New Hampshire (NH)						
31.	New Jersey (NJ)						
32.	New Mexico (NM)						
33.	New York (NY)						
34.	North Carolina (NC)						
35.	North Dakota (ND)						
36.	Ohio (OH)						
37.	Oklahoma (OK)						
38.	Oregon (OR)						
39.	Pennsylvania (PA)						
40.	Rhode Island (RI)						
41.	South Carolina (SC)						
42.	South Dakota (SD)						
43.	Tennessee (TN)						
44.	Texas (TX)						
45.	Utah (UT)						
46.	Vermont (VT)						
47.	Virginia (VA)						
48.	Washington (WA)						
49.	West Virginia (WV)						
50.	Wisconsin (WI)						
51.	Wyoming (WY)						
52.	American Samoa (AS)						
53.	Guam (GU)						
54.	Puerto Rico (PR)						
55.	U.S. Virgin Islands (VI)						
56.	Canada (CN)						
57.	Aggregate other alien (OT)						
58.	TOTALS						

NONE

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART
AMERIGROUP Corporation

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